MONTREAL, 1st JANUARY, 1833.

SIR,

The Year which has just terminated has been one of almost unexampled difficulty and embarrassment among the great bulk of the Mercantile community in the Canadas, owing principally to the Cholera, which broke out early in June last, and raged with great violence for more than two months, proving very destructive of human life, and as a natural consequence, destroying commercial business for the same period, the effects of which are still felt by most men engaged in any kind of trade. Our annual custom has been for many years past, to take a retrospective view of the preceding year's business in exportable Produce, giving also the actual state of the Market at the time of issuing our New Year's Circular, and prospectively to give our numerous friends and customers in the country the best opinion we could form for their guidance in laying in their supplies of produce for the Canada Market for the ensuing year; and we shall pursue the same system on the present occasion.

ASHES.—At the commencement of the last year, Pot Ashes were saleable here at 28s *a* 28s 6d, and Pearls 29s *a* 29s 6d; but the Foreign advices received about that period, were not calculated to inspire confidence in much if any improvement, and all subsequent accounts through the winter, tended rather to depress than augment their value, and on the 1st May, there was a stock on hand of 1984 barrels Pearls, and 3252 barrels of Pots; and adding the receipts for May, 1354 barrels Pearls, and 2777 barrels Pots, forming a total of 3338 barrels Pearls, and 6029 barrels Pots, before there was much enquiry for export, very few indeed having been shipped before 1st June. When ships arrived and were ready to take in their cargoes early in June, holders of Ashes generally demanded 28s 6d *a* 29s for Pots, and 29s 6d *a* 30s for Pearls, and very limited quantities were disposed of at these rates, but mostly confined to first sort Pot Ashes to supply orders from Ireland; after which, as well from the discouraging foreign advices, as local causes, the demand almost wholly ceased, and a rather rapid decline was the consequence, from which they scarcely recovered during the season; towards the last of June, Pots were crowded on the Market at 25s *a* 26s 6d, and Pearls 27s *a* 27s 6d; nor was there much variation during the entire month of July, but in August there seemed a better spirit for buying, owing in a great measure to the short receipts, and a well-grounded belief that a great falling off in the make must be the natural consequence of very low prices, and the general distressed state of all parts of the country from Cholera, and we sold a few hundred barrels Pots at 27s *a* 27s 9d, and Pearls 28s *a* 28 6d, and early in September, we sold 1000 barrels Pots at 28s, and 1000 barrels Pearls at 29s, and soon after a few hundred barrels Pots at 29s, and Pearls at 30s; but we were not then anxious sellers, as most of our customers, for whom we held large consignments, were desirous that we should hold their Ashes till about the 15th or 20th October, when it was believed prices would be 1s *a* 2s per cwt. higher, and this opinion coinciding with our own, we were the more disposed to hold for the anticipated advance; but never were our friends and we more deceived and disappointed than when numerous vessels arrived in October, bringing very limited orders for Ashes, (and what few were ordered being at miserably low rates, justified however by the low and languid state of Foreign Markets,) which caused an immediate panic among holders, aided also by the large daily supplies arriving, and we were glad to make large sales of Pots at 26s 6d, 26s, 25s 6d, and even 25s, and Pearls 28s 6d down to 27s, from the 10th to 25th October; and subsequently we sold Pearls as low as 26s, and pots 24s, 23s 6d, and even 23s. During the month of December what few Pots arrived sold as low as 21s *a* 22s 6d, and Pearls 25s. Our advices from Europe, just received to 3d November, give indications of a considerable improvement in Ashes, owing in some degree to the expected short supply from Canada, but more to the great advance on brimstone, which is one of the principal ingredients used in making substitutes for Ashes, but we should be uncandid if we did not say that we hope rather than expect, any very great permanent advance, for we are more than ever satisfied that British made substitutes are interfering to an alarming extent with the consumption of Ashes, not only in the United Kingdom but also in the Continental Markets, and they appear to be produced cheaper than Ashes can be manufactured for, when freight and other charges are added. Another cause in our opinion has operated powerfully for three years past to bring Canada Ashes into disrepute and diminish their consumption, which is their weak and inferior quality, attributable no doubt to the deceptive or patent method of making Pots, which however we now conceive has in a great measure ceased; still the effects of prejudice once well founded, are visible long after the cause is removed. Formerly 2d, 3d, and even some unbrandable Pot Ashes were sought after in the English Markets at the usual difference between first sort and inferior brands, but latterly first sort are not considered too good for almost any purpose for which Pot Ashes are used, and the inferior qualities remain neglected, or when sold they scarcely command their relative value. The news just received will no doubt cause some little speculative demand, but we must confess that we have no great confidence in looking forward that Pots will open for spring shipments over 26s 6d *a* 27s 6d, and Pearls 27s 6d *a* 28s 6d.

	Brls. Pearls.	Brls. Pots.		Brls. Pearls,	Brls. Pots.
There were received in 1831—	20,164	29,739	and shipped	19,667	29,246
" " " " 1832—	14,988	27,720	do. do.	14,002	24,960
Short received in 1832—	5,176	2,019	and short shipped	5,665	4,286

GRAIN, FLOUR, AND MEAL—In our Circular of the 1st January last, we recommended our country friends in buying Wheat and Flour for the Montreal Market to take 5s *a* 5s 6d as the probable Spring and Summer average value of Upper Canada wheat per 60lbs. here and 25s *a* 27s 6d per barrel for fine Flour, and if our advice had been followed, a fair Mercantile profit would have resulted to the Country Trader and Miller; Upper Canada white Wheat opened at 6s 3d and fluctuated between that and 6s 9d, while red was less sought after at 5s 10d *a* 6s 3d. Superfine Flour opened at 28s 9d and fine at 27s 6d at which large sales were made in May on 90 days credit, both for consumption and export; early in June there was a more extensive demand, and as the supplies began to fall off, superfine reached 30s, 31s 3d *a* 32s 6d and fine 28s 9d 29s 6d and 30s. We are fully satisfied that little or nothing was made generally on shipments of Wheat last year, particularly after the first Spring shipments, and we know on some shipments, positive loss ensued, and on shipments of Flour generally the loss was most ruinous, not producing nett equal to 22s 6d *a* 25s currency per barrel here. Kiln dried Indian Meal was in good demand the whole season and sold at prices that remunerated the manufacturer well, and we look to a good demand and rather high prices the coming season, but we cannot place the same confidence in Wheat and Flour, indeed judging from Foreign Markets which is the true criterion (as the consumptive demand in British North America is not equal to the production of the Canadas with what comes from the United States,) we only look to very moderate prices next season, and we strongly recommend our country friends rather to buy sparingly unless at considerably reduced rates from what was paid last Winter. Lower Canada Wheat of very superior quality is selling at 5s *a* 5s 3d per minot weighing about 66lbs. and we doubt if it will be worth more during the Winter: Flour is uncommonly dull, little selling except the Rochester best Superfine which will not command 30s even in small quantities, and Upper Canada Fine is offered at 27s 6d at 90 days without finding purchasers. The great increase of population in the Canadas by Emigration and the still greater increase expected in the Spring and Summer from the same source, may take off a considerable portion of the surplus Grain and Flour in Upper Canada, still the Rochester and other Millers in the western part of New York and Ohio are offering to contract for the delivery of large quantities of Flour at so reduced a rate that we cannot see the least prospect of Canada Superfine being worth over 27s 6d *a* 28s and Fine 26s 3d *a* 27s. Imports of Wheat and Flour into the Port of Montreal from Upper Canada and the United States from 26th April to 24th Dec. 1832, 83356 barrels Flour; 241673 bushels Wheat; 7348 bags Wheat. Exported 44659 barrels Flour; 402001 bushels Wheat including Lower Canada Wheat.

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SALTED PROVISIONS.—Pork and Beef opened last Spring nearly at the prices we had predicted in our January circular, viz :—

Montreal	Inspected		Mess	Pork	75s	a	80s.
Do	do	Prime	Mess	do	62s 6d	a	65s.
Do	do	Prime		do	52s 6d	a	55s.
Do	do	Cargo		do	48s 9d	a	50s.
Do	do		Mess	Beef	50s	a	52s 6d.
Do	do	Prime	Mess	do	40s	a	42s 6d.
Do	do	Prime		do	33s 9d	a	37s 6d.
Do	do	Cargo		do	25s.		

Our supplies however particularly of Pork were not by any means equal to what had been anticipated, especially from Upper Canada, and in June, holders became more firm gradually advancing prices which were readily submitted to by shippers and consumers, particularly the lower grades of Pork, while Beef remained dull and unsaleable at opening prices; the improved demand and value of Pork was sustained and rather increased until the close of navigation, leaving our market entirely bare of all qualities. Beef on the contrary, to a considerable extent as well old as new remains in market unsold—coarse grains generally having failed last year, the general impression is that much less Pork is fatted and of a poorer quality than last year, and that consequently it will range higher; we are informed that but little if any will come from Upper Canada, and we know that in Vermont and New York the supply cannot be very great, destined for this market, and in Ohio, from whence we may naturally expect considerable, we are inclined to believe that our market cannot be overstocked and that if sales are not forced, holders waiting patiently for actual demand, that good remunerating prices will be realized say 80s *a* 82s 6d for Mess.
70s *a* 72s 6d for Prime Mess.
60s *a* 61s 3d for Prime.
50s *a* 52s 6d for Cargo.

BEEF is much more uncertain for when there is a less export demand than the supply it must lay over little or none being used by lumbermen or others for consumption; great care is necessary in having what is called full hooped barrels, and too much cannot be said nor too often repeated in favour of good well made and hooped casks for Ashes, Provisions, and Flour, taking care to have lining hoops for the latter. Import of Pork in 1832—20343 barrels, of Beef 4340 barrels.
Export of Pork in 1832— 8746 barrels, of Beef 4911 barrels,—including some packed here.

BUTTER, LARD, CHEESE, TALLOW, SMOKED HAMS.—The demand for Butter, Lard, Cheese and Tallow has been mostly for home consumption. Butter ranging from 7d *a* 10½d—Cheese 2½d *a* 6d—Lard 4½d *a* 6½d—Tallow 6½d *a* 7½d—Smoked Hams are occasionally wanted for export and also for consumption, but the demand is very generally met by Packers and Curers here and as in warm weather they are a very perishable article we cannot recommend large quantities being profitably imported. Butter, Lard, and Tallow would now command our extreme quotations, but on receipt of large supplies in the Spring there is no doubt they must give way a little.

WOOD.—The opening prices of Lumber were considered fair, yet the prevailing easterly winds with little intermission, from April to July, keeping back the rafts from the interior, and the dreadful ravages made by the cholera among a class of people so much exposed and susceptible of taking the disease as lumbermen, combined to make it very expensive getting Lumber to market, and we believe few wound up their year's accounts so well off as when they began, we hope a better fate awaits this most industrious valuable class of people (who submit cheerfully to the greatest privations) in their undertakings the coming year. Yet we regret to say that our English news is in no manner very favourable, and if, as intimated, the British Ministry intend to reduce the duties on Foreign Timber, the Lumber Trade of the Canadas must be entirely relinquished or every one connected with it will be ruined. Arrivals at Quebec from sea in 1832—961 vessels, tonnage 247,923—Emigrants 49,422.

We shall be prepared on opening of Navigation as usual, to receive all kinds of Country Produce intended for sale here, or at Quebec, or to ship to other Ports as may be ordered by owners, and will make liberal advances in Cash or in Drafts, on any part of the United States, at the current rate of Exchange Our Stores for the reception of Produce and Goods, are very spacious, and of the first class, bordering on the Lachine Canal, near its outlet into the Port, and by means of railways, we unload and deposit in our Stores, without the injury and expense attending the unloading of Property by carts.

Yours respectfully,

HORATIO GATES & Co.

N. B —*January* 10.—Our advices from England to the 15th November, say there is no alteration in the value of Ashes, but Wheat in rather better demand.

January 16.—Our English advices to 23d November, quote Ashes and Wheat as sustaining the prices of preceding accounts, with less doing in Ashes; Lumber selling in Liverpool at miserable prices.

February 5.—Extract from Liverpool letters of 24th December, just received—"We observe you notice the deficiency of export of Ashes this season as compared with last, 10,000 barrels of both sorts: this is a great decrease, yet we fear it will be found that the decrease in the consumption is even more considerable; nothing can exceed the dullness of the market; scarcely a transaction has taken place in them since we wrote: Pearls are offered on all hands at 29s, and the nominal value of Pots is 27s *a* 27s 6d, which is a falling off of about 1s per cwt. Wheat is a shade lower."

February 19.—"Liverpool, 2d *Jany.*—Our Ash Market continues in the most depressed state: Pots are now offering at 26s 6d, and Pearls 29s, but no buyers; we look for further decline. Brimstone continues high, and this enhances the value of the Substitute used for Pot Ashes; still we hear of its extensive use, and feel severely its interference with the sale of Ashes. In our Grain Market no material change: sweet Superfine Flour 33s *a* 34s per barrel."

February 25.—"London, 9th *Jany.*—We can advise no transactions in Ashes this week; we think the dealers at home and consumers abroad are barely supplied: the Corn Market is rather better this week."

February 28.—Liverpool advices to 13th January say—"Montreal Pot Ashes have been forced off at 25s *a* 25s 6d, and Pearls have declined also to 28s: no material alteration in Grain or Flour, but of the two duller and lower."